

**CENTRAL INTELLIGENCE AGENCY**

C-O-N-F-I-D-E-N-T-I-A-L

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COUNTRY North Korea

## REPORT

SUBJECT     Commodity Prices and Living  
              Conditions in the Kaesong Area

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report on commodity prices and living conditions in the  
Kaesong area as of October 1956 25X1

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I. DetailsNorth Korean Trends  
As Indicated

1. In 12th Pan, Tongch'ang-ni, P'annun-gun, Kaesong-jigu [redacted] there were two (2) military officers' households, that received such government distributions as rice, yellow millet, cucumbers, potatoes, pumpkins, red peppers, stone-leeks, eggplants, bracken, oil, Alaska pollack, soy, bean-paste, etc. 25X1

2. Commodity prices in Tongch'ang-ni were as follows, as of October 1956:

Pencil, North Korean made, each	3 - 15 Won	(Consumers' guild)
Pen-point, each	5 "	"
Pen-holder, each	25 "	"
Crayon, box, each	35 "	"
Notebook, each	5 - 45 "	"
Pencil, Chinese-made, each	20 "	"
Ink powder, pack, each	15 - 20 "	"
Ink bottle, each	25 - 35 "	"
Match, box, each	5 "	"
Laundry soap, each	100 "	"
Laundry soap, each	120 "	(Black market)
Tooth-brush, North Korean, each	100 "	(Consumers' guild)
Tooth-powder, North Korean, pack, each	35 "	"
Socks, pair, each	80 "	"
Cigarettes (Kalmaegi), pack, each	25 "	"
Student's cap, North Korean, each	150-200 "	(Black market)
Tennis-shoes, pair, each	300 "	(Consumers' guild)
Rubber shoes, pair, each	250-300 "	"
Plain paper, sheet, each	10- 15 "	"
Eraser, each	5 "	"
Beam compasses, pair, each	45 "	"
Color pencil, each	20 "	"

3. In North Korea, price cuts were enforced four (4) times. However, it was said that those reductions of prices had not only been ineffective for the betterment of people's livelihood, but aggravated its precariousness [redacted] 25X1

4. The most scarce good [redacted] was considered to be rice. Rumor had it during the period of Korean War that rice and flour were imported from the Soviet Union and China. It was felt, however, that various farm

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produces might be stored in each warehouse of the farm cooperative. 25X1

5. [ ] the most of farmers grow on their fields rice, yellow millet, soy-beans, red beans, green beans, sorghum, corn, potatoes, sweet potatoes, wheat, barley, etc. They usually exchanged their surplus grains with those they needed. 25X1
6. [ ] ate approximately twice a month fresh Alaska pollack, pickled mackerel or stone-fish, which were bought from patronized peddlers. However, their routine meals consisted of rice, soup, "Kimch'i", seasoned bean-sprouts, and beancurd. On some occasions, they also ate porridge or rice-cake. [ ] canned duck meat was produced in North Korea. 25X1
7. Clothing usually made within the household in the area [ ] were mainly Korean traditional costumes, including man's "paji" (trousers), "chogori" (coat), "pōsōn" (cotton socks), "turumagi" (top coat), and "tōtchogori" (jumper) for winter and white shirt, "tunggori" (sweat frame), and "chambangi" (knee-breeches) for summer, and woman's "chogori" (coat), "ch'ima" (skirt), "pōsōn" (cotton socks), "paji" (pants), "turumagi" (top coat), "sok-ch'ima" (petticoat) for winter and "chōksam" (unlined coat), "ch'ima" (skirt), Western-style shirt, pants and shirt for summer. In general, primary school students were clad in various clothing, but the students of middle or upper-level schools wore uniforms. Some discharged soldiers were often seen in worn-out People's Army uniforms. [ ] 25X1  
[ ] one (1) "paji", "chogori", (chokori" (waistcoat), and two (2) pairs of "pōsōn" for winterwears, and two (2) white shirts, two (2) pairs of trousers, and one (1) T-shirt for summerwears. [ ] a pair of rubber shoes. 25X1
8. [ ] village, [ ] was approximately 1.5 kilometers to a national consumers' guild, approximately one (1) kilometer to the farm cooperative, and approximately 12 kilometers to the "free market" located in the city of Kaesōng. The villagers bought their foods, clothing, and other important articles at the Kaesōng market or from patronized peddlers who almost periodically travelled the village. However, they seldom went to Kaesōng to buy those articles available at the consumers' guild. 25X1 25X1
9. The articles sold at the Kaesōng market were stationeries, rice, barley, red beans, soy beans, wheat, potatoes, sweet potatoes, buckwheat, corn, sorghum, and clothing such as student's uniforms, baby clothing, gentlemen's suits, shirts, underwears, T-shirts, headgears, socks, gloves, and various cloth, as

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well as various daily necessities, groceries, and machines. The dealers at the market were mostly longtime merchants since the [ ] occupation of Korea and a few Korean war widows. However, in order to get rid of individual merchants, the members of the self-defense unit took peddlers to the internal affairs sub-station upon discovery, giving them austere admonishment. The North Korean government also burdened individual merchants with heavy taxes. 25X1

10. Pocket items carried by most men [ ] were cigarettes, matches (or lighters), handkerchief, tobacco pipe, comb, pen (or fountain pen), pocket-book, citizenship certificate, League or Party membership certificate, and birth certificate (in the ages between 15 and 17), and the pocket items of women were mostly handkerchief and citizenship or League membership certificate. Generally, those items were all North Korean-made except for fountain pens, which were usually Chinese-made. 25X1
11. In the area of Tongch'ang-ni, P'annun-ghn, a few sewing machines were in the possession of villagers, and no electric water supply or gas facilities were available. However, the Taeryong-ni Internal Affairs Sub-Station, approximately four (4) kilometers from [ ] village, was equipped with electric lights. The villagers used kerosene or carbide for their lamplights. Carbide was bought at 25 Wŏn per kilogram.
12. For heating fuel, villagers obtained woods or leaves in mountains by themselves, and nobody bought it. However, sufficient amount of anthracite was distributed on gratis to teachers' and soldiers' families. 25X1
13. The house, [ ] was a mud-walled, thatch-roofed building, with one (1) room of nine (9) meters square, one (1) kitchen, and one (1) separately built toilet. The most houses in [ ] village were of similar type [ ] and no one have ever tried to sell or buy a house in the village. The current price of a house was unknown. 25X1
14. [ ] All individual farmers had to bring their taxes-in-kind, levied by the government, to the district (Ri) tax-in-kind warehouse, while the farm cooperative paid those of its members in a lump. However, the local autonomy tax was collected always by the neighborhood (Pan) chief. 25X1
15. [ ] the bus fare from P'annun-ŏp (former Pongdŏng-myon) to the city of Kaesŏng was 25 Wŏn, and also learned in a primary school textbook that there were passenger planes in operation in North Korea.
16. The denominations of North Korea money were 15 Chŏn, 25 Chŏn, 50 Chŏn, 1 Wŏn, 5 Wŏn, 10 Wŏn, and 100 Wŏn, but five (5) and 10 Wŏn bills were in greatest use. One hundred Wŏn bill was also frequently used.

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17. Medicines such as penicillin and mycine were most valuable items in [redacted] village, and villagers would pay for them even rice, which was one of the most scarce items. However, no one has ever been seen dealing in such items in the area. 25X1 25X1
18. There was the Farmers' Bank in P'annun-wp, approximately six (6) kilometers from [redacted] village, but no details on the bank was known [redacted] However, it was well known among residents that savings was constantly encouraged by the district (Ri) people's Committee, whose office front was pasted with a sign reading "Let Use Deposit Money in the Bank." 25X1
19. The village, [redacted] prior to Korean war, having happened to be in the demilitarized zone, [redacted] Tongch'ang-ni, P'annun-gun. Since then, little households moved in or out of the village, which held 26 households consisting of a population of 101. 25X1
20. During the period of August to October 1956, one (1) man from each household in [redacted] village was mobilized for weeding a farmland in the demilitarized zone to be cultivated and for irrigation work in Toksu-ri, P'annun-gun. On the other hand, the primary school students were usually mobilized in the busy farming season in order to help farming in the area. 25X1
21. [redacted] never heard of any unemployed or beggars, but saw once a 16-year old boy, who was said to have been a beggar before he drifted in 1956 into T'an'gok-tong, approximately 700 meters from [redacted] village, eventually settling himself down as a farmhand. 25X1
22. The primary school in [redacted] village was ruined during the period of Korean war, and a primary school was under construction in Pak-kol, approximately one (1) kilometer from [redacted] village, as of late February 1956. 25X1
23. In P'annun-wp, there was a post office, and mailmen tripped on foot for the delivery of mails. The postage on a letter within the territory of North Korea was said to be 10 Won. 25X1
24. All of 26 households in the 12th Pan, Tongch'ang-ni were obliged to join the farm cooperative, while in the 10th Pan, only seven (7) households out of 15 were the members of a farm cooperative. The individual farmers in the latter neighborhood (Pan) were comparatively rich ones having fertile farmlands. However, the most farmers were against the farm cooperative system because of the harder work and worse livelihood.
25. Upon joining a farm cooperative, farmers had to turn their farm tools into the management of the cooperative, but received, on the other hand, more

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fertilizer than that supplied to individual farmers. They paid in autumn unhulled rice for the fertilizer distributed. Individual farmers lent and borrowed farm tools among themselves.

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26. The Igok Farm Cooperative holding all the farmers in [ ] village had such farm tools as threshers, weeders, and plowing machines, which were all North Korean-made. The cooperative directed to all the members what grain to be planted where.

27. Domestic animals bred in the general area of Tonch'ang-ni, P'annun-gun, were principally cattle, swine, dogs, chickens, cats, and rabbits. The farmers bred cattle for plowing, swine for profitable litters of piglings, dogs for guarding house or for food, chickens for eggs or for food, cats for elimination of rats, and rabbits for food or personal zest.

28. Though the exact name of blight was unknown, it was often found that rice or barley withered to white. Cattle sometimes contracted diarrhea, and chickens usually died, once infected.

29. In or about May 1956, all students of [ ] school were given preventive injections against encephalitis, which, according to the school teacher, caused a high fever to death or deformity. It was then said that a certain area near [ ] village was infected with the fever. In 1956, [ ] had at [ ] school three (3) different shots, including one against ' [ ] encephalitis,' which was given in August when it was said that the fever was prevailing [ ]

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30. Should any residents in [ ] village contract a disease, they went to the P'annun-gun 5th Dispensary, located at BS 918928 in Taeryong-ni (Mangga-dae), approximately three (3) kilometers from the village, or to the People's Hospital, located at P'annun-jip. The dispensary, manned by doctor and four (4) nurses, charged patients for medical treatments.

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31. In [ ] village, there was only one Party member, who was 26 years old wife of a soldier, People's Armed Forces, but many belonged merely to the Youth or Women's Leagues. [ ] affiliated with the school children's corps, which held meetings once every month. However, the Party member seemed not to be particularly better off than non-Party members. Nothing was known about government officials because they were all transferred from other districts.

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32. [ ] the following motion pictures in North Korea:

1) White-Haired Woman (Chinese).

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- 2) Spring Wind Blows to Nanguin-gang (Chinese)
- 3) Airplane Hunter (North Korean)
- 4) To Front Line Again (North Korean)
- 5) Defenders of Native Land (North Korean)
- 6) Paektu Farm (North Korean)
- 7) Juvenile Partizan (North Korean)
- 8) Korean News (North Korean)
- 9) We Cannot Live Thus Again (North Korean)
- 10) Dangerous Lane (Soviet)

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33.  the following songs in North Korea:

- 1) Gull
- 2) Song of 15 August (Liberation Day)
- 3) Song of May Day
- 4) Anniversary of Children's Corps
- 5) Song of 8 February (People's Armed Forces Day)
- 6) Man'gyong-dae
- 7) Our School
- 8) Our School Rising
- 9) Song Election
- 10) We Won Victory
- 11) We Know Well
- 12) We are Flower Buds
- 13) National Anthem

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34. [ ] the following publications in North Korea:

- 1) Sonyon Sinmun (Children's News)
- 2) Kaesong Sinmun (Kaesong Press)
- 3) Children's Magazine
- 4) Children's Literature
- 5) New Generation (story book)
- 6) Puss Without Mama (story)
- 7) Pleasant Street (story)
- 8) Cherrytree (story)

35. In North Korea, the primary school students had holidays on 1 May (labor day), 6 June (Children's Corps foundation day), 15 August (Liberation Day), and 1 January (new year's day), and it was said that 8 February (People's Armed Forces Day) was also a holiday for soldiers.

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36. It was learned that in North Korea one needed to have a travel permit for a long-distance trip. In [ ] village, any guest to stay in the village by night had to have the "lodging record", which was always kept by the neighborhood (Pan) chief, signed by the chief of the self-defense unit. If anybody found staying in the village without a report, both the guest and host were to be not only fined 300 Wpn respectively but also subject to stringent questioning by the security organizations. [ ] village was under the jurisdiction of the Taeryong-ni Internal Affairs Sub-Station.

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37. In North Korea, [ ] an antipathy against governmental policies because the students were put in work much more than their class hours. Especially, [ ] severely admonished by his class teacher, HAN Tong-ch'ang (7281/2629/2490) [ ] because he ran away to his home when [ ] class was again put in work for building of a flower garden on or about 24 September 1956.

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